

CONFORMED COPY

CREDIT NUMBER 2378 BUR

(Public Institutional Development Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 29, 1992

CREDIT NUMBER 2378 BUR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated June 29, 1992, between BURKINA FASO (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project; and

(B) by a letter of agreement, dated November 22, 1991, (the Norway Letter of Agreement), as amended by an amendment letter, dated May 8, 1992, the Royal Ministry of Foreign Affairs of the Kingdom of Norway (Norway) has agreed to make a grant (the Norwegian Grant) to the Borrower in an aggregate principal amount equivalent to \$300,000 to assist in financing the Project on the terms and conditions set forth in the Norwegian Letter of Agreement; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) "CFAF" or "CFA Franc" means the Borrower's currency;
- (b) "DCF" means Direction du Contrôle Financier;
- (c) "D/L" or "Direction de la Legislation" means the Direction de la Legislation referred to in paragraph 2 of Schedule 4 to this Agreement;
- (d) "MFP" means Ministcre des Finances et du Plan;
- (e) "MFPMA" means Ministcre de la Fonction Publique et de la Modernisation de l'Administration;
- (f) "MJ" means Ministcre de la Justice;
- (g) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated October 25, 1991 and November 12, 1991 between the Borrower and the Association; and
- (h) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to eleven million Special Drawing Rights (SDR 11,000,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF a special deposit account in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be March 31, 1997 or such later date as the

Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next payment date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on January 1 and July 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each January 1 and July 1, commencing July 1, 2002 and ending January 1, 2032. Each installment to and including the installment payable on January 1, 2012 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years, and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MFPMA with due diligence and efficiency and in conformity with appropriate administrative, financial and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section, and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. (a) The Borrower and the Association shall, not later than October 31, 1993 and, thereafter, not later than October 31 of each subsequent year, undertake a joint review of the Project or, as the case may be, not later than October 31, 1994, a mid-term review, during which they shall exchange views generally on all matters relating to the progress of the Project and the performance by the Borrower of its obligations under this Agreement and, in particular, (i) the progress achieved during the current fiscal year, and (ii) the proposed budget and work program for the forthcoming fiscal year, including (A) a statement of monitorable objectives and a program of activities to be undertaken to achieve those objectives, and (B) detailed budgets and financing plans, a schedule of proposed procurement actions, and staffing and training plans.

(b) Not later than one month prior to each such review, the Borrower shall furnish to the Association, for its comments, a report, in such detail as the Association shall reasonably request, on the progress and status of the Project, and giving details, in particular, of the proposed budget and work program for the forthcoming fiscal year.

(c) Following each such review, the Borrower undertakes to act promptly and diligently, in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

(d) Without limitation to the preceding paragraphs (a), (b) and (c) of this Section, the Borrower shall, throughout the period of implementation of the Project, submit to the Association, for its review and comments, quarterly reports on the progress of implementation of the Project.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association, as soon as available, but in any case not later than six months after the end of each such year, a certified

copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records, accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

(a) of this (i) maintain or cause to be maintained, in accordance with paragraph Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association's representatives to examine such records; and

(iv) ensure that the said accounts and records shall be audited on a semiannual basis by said auditors, who shall prepare audit reports accordingly and furnish them to the Association, not later than three (3) months after the end of such semiannual audit period, along with an opinion as to whether the statements of expenditure submitted during such period, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified, namely that:

(a) Subject to paragraph (b) of this Section:

(i) the right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms thereof, or

(ii) any such loan shall have become due and payable prior to the agreed maturity thereof.

(b) Paragraph (a) of this Section shall not apply if the Borrower establishes to the satisfaction of the Association that: (i) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (ii) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely that the event specified in Section 5.01 (a) (ii) of this Agreement shall occur, subject to the proviso of Section 5.01 (b) of this Agreement.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01

(b) of the General Conditions:

(a) The Borrower has recruited an accounting firm, having qualifications and experience acceptable to the Association, to assist MFPMA in the performance of its financial and accounting obligations under Section 4.01 (a) of this Agreement.

(b) The Borrower has selected independent auditors, acceptable to the Association, to audit the Project accounts in accordance with the requirements of paragraphs (b) and (c) of Section 4.01 of this Agreement.

(c) The procurement committee referred to in paragraph 1 of Schedule 4 to this Agreement has been established.

(d) The Borrower has set up the Direction de la Legislation, and the sub-committee referred to in paragraph 4 of Schedule 4 to this Agreement, and appointed the D/L Director and his complement of magistrates, as well as members of the sub-committee.

(e) The Borrower has adopted legislation, referred to in paragraph 5 of Schedule 4 to this Agreement, for the creation of a separate commercial jurisdiction in Ouagadougou and Bobo-Dioulasso.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representatives of the Borrower; Addresses

Section 7.01. The Minister of Finance and Planning of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministcre des Finances et du Plan
B.P. 7050
Ouagadougou
Burkina Faso

Telex:

5555 SEGEGOUV

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Telex:

INDEVAS
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

BURKINA FASO

By /s/ Paul Desire Kabore

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V. K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Training:		100%
(a) under Part E.1 of the Project	700,000	
(b) other	920,000	
(2) Consultants' services and studies	2,200,000	100%
(3) Civil works	2,150,000	100%
(4) Equipment, vehicles and materials		100%
(a) under Part E.5 of the Project	440,000	
(b) other	2,560,000	
(5) Refunding of Project Preparation Advance	550,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(6) Unallocated	1,480,000	
	<hr/>	
TOTAL	11,000,000 =====	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made:

(a) in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not to exceed SDR 1,100,000, may be made on account of payments made for expenditures before that date but after January 31, 1992;

(b) under Category (1) (a) of the table in paragraph 1 of this Schedule, unless the Borrower has: (i) confirmed that all outstanding applications for admission to the Bar have been disposed of; (ii) adopted legislation for the reinstatement of the liberal practice of the professions of notaries and court ushers, and to review the rules governing access to the Bar, with a view to facilitating access thereto; and (iii) submitted a training program giving details of proposed training courses for magistrates, advocates and other branches of the legal profession, the criteria to be used for the selection of candidates for the courses and, in the case of trainee advocates, the measures being taken to identify suitable training positions for each of the candidates for the completion of their practical training; and

(c) under Category (4) (a) of the table in paragraph 1 of this Schedule, unless the Borrower has (i) identified adequate premises to serve as law library, (ii) recruited a suitably qualified and experienced librarian to serve as law librarian, and (iii) issued appropriate instructions for the use of library facilities.

SCHEDULE 2

Description of the Project

The objective of the Project is to support the Borrower's efforts to reinforce the major public institutions charged with economic and sector management and, thus, to bring about sustained and equitable economic growth.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Information and Data Management

1. Strengthening of National Institute of Statistics and Demography (INSD): (a) establish a Conseil Supérieur de la Statistique, replacing the Statistics and General Studies Coordination Committee established in 1967, to design and monitor a long term strategy and work program for data collection and analysis; (b) conduct a comprehensive audit of INSD leading to improved operations; (c) conduct a series of economic and poverty focussed SDA (Social Dimensions of Adjustment) surveys and studies identified as part of the adjustment program; and (d) design and implement a training program in statistics for staff of INSD and of the Departments responsible for Research and Planning, and Administration and Financial Matters, in key Ministries.

2. Information Management: (a) create a central civil service file; and (b) prepare a unified financial information management system for MFP, including review and updating of nomenclature, notably for the budget.

3. Analysis: Improve monitoring of public investments, through reforms of the budgetary expenditure process and production of better public investment data.

Part B: Budget Management

1. Construct a central tax services building and install a computerized management system in the customs service.

2. Conduct a global audit of the budgetary expenditure cycle.

3. Review recurrent and investment expenditures made by MFP and other Ministries and Government agencies.

4. Reinforce DCF, thereby extending its reach of effective control to the whole budget, including public procurement, while streamlining complex control procedures and allowing more effective delegation to technical Ministries.

5. Strengthen public accounting through harmonization of budgetary nomenclature with the new public accounting framework, and develop a computerized accounting system.

Part C: Public Procurement

1. Revise and consolidate procurement laws and regulations, with a view to (a) clarifying and rationalizing the respective roles and functions of the different agencies involved in public procurement, (b) streamlining the procurement process through the introduction of procedures which are transparent and, at the same time, expeditious, and (c) ensuring that such procedures are applied consistently, and in a non-discriminatory, efficient and transparent manner.

2. Promote better understanding and efficiency in the practical application of the procurement rules.

3. Develop and implement a staff development and training plan.

Part D: Civil Service Management

1. Conduct a civil service census, as well as preparatory studies based on the central civil service file.

2. Revise civil service wages and remuneration, on the basis of studies of civil service remuneration and grading.

3. Establish a system of wage planning and forecasting linking personnel management to budgetary objectives.

4. Examine alternative approaches to a career civil service.

5. Conduct training seminars to better associate unions and other key social groups with the Borrower's wage and civil service policies.

6. Strengthen the capacity of the Borrower's schools for public administration to provide appropriate training to a transformed civil service.

7. Undertake pilot actions intended to directly increase productivity and improve service quality in the public administration, and support the Borrower's Consumer Association with a view to developing a broader constituency of users of public services.

Part E: Legal and Judicial Reforms

1. Consolidate the legal profession as a whole through training and retraining, as the case may be, of magistrates, advocates, notaries and ushers.

2. Revise and consolidate body of commercial legislation, including mining laws and land tenure legislation.

3. Rehabilitate the process of publication of the Official Journal and Supreme Court decisions (including, in the case of the Official Journal, renovation of its physical facilities), and establish a legal database.

4. Strengthen the commercial law jurisdiction of lower courts.

5. Reconstitute law library facilities.

6. Commission a study on a proposed legal and institutional framework for the establishment of commercial arbitration facilities in Ouagadougou, and implement the findings thereof.

Part F: Communication of Economic Reform

Training of Burkinabe journalists in basic economics and the adjustment process.

* * *

The Project is expected to be completed by September 30, 1996.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$100,000 or more.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in Burkina Faso may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

Vehicles, small equipment and materials estimated to cost the equivalent of \$100,000 or less per contract, up to an aggregate amount equivalent to \$800,000, as well as civil works, estimated to cost the equivalent of \$1,000,000 or less per contract, up to an aggregate amount equivalent to \$1,700,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

Part D: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1

to the Guidelines.

Part E: Pre-shipment Inspection

All goods imported under the Project shall be subject to pre-shipment inspection for price, quantity and quality verification by a suitably qualified and experienced pre-shipment inspection firm; provided, however, that no price verification shall be conducted in respect of goods to which Part A of this Section applies.

Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants, whose qualifications, experience, and terms and conditions of employment, shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

SCHEDULE 4

Implementation Program

1. (a) The Borrower shall set up a procurement committee, consisting of the Minister in charge of the Budget, who shall be the chairman thereof, the DCF Director, the Commissaire General l'Inspection d'Etat, and representatives of MJ, the private sector, and other concerned Ministries and agencies, to review the existing procurement rules and procedures and, in the light thereof, to submit a consolidated draft of proposed procurement legislation for adoption by the competent authorities.

(b) The Borrower shall, not later than January 1, 1994:

(i) have the proposed legislation referred to in sub-paragraph (a) of this paragraph adopted;

(ii) have a procurement unit, acceptable to the Association, established within DCF, to be responsible for the overall supervision of public procurement; and

(iii) dissolve, abrogate or eliminate, as the case may be, any competing unit or agency within the public service, which has similar attributions, or performs similar functions, as the unit referred to under paragraph (ii) of this sub-paragraph.

2. The Borrower shall establish and maintain a coordinating commission, consisting of a representative of the Borrower, who shall be the chairman thereof, and of representatives of interested donors, to provide a mechanism for the coordination of all technical assistance activities for economic management supported by donors for institutional development purposes, and to monitor the progress, and evaluate the results, thereof.

3. The Borrower shall set up a Direction de la Legislation (D/L), consisting of a Director, having qualifications and experience acceptable to the Association, and not less than three suitably qualified and experienced magistrates, to advise Government Ministries generally on the content of proposed legislation and be responsible, in particular, for the preparation of commercial and business legislation under the Project.

4. The Borrower shall establish a sub-committee of the Law Revision Committee, consisting of the D/L Director, who shall be the chairman thereof, and other recognized business and business law experts, to review the commercial code and related legislation, including the land tenure law, make proposals for amendments and modifications thereof, and prepare revised legislation accordingly for adoption by the competent authorities.

5. The Borrower shall adopt legislation and take other steps needed for the creation of a separate commercial jurisdiction to ensure the prompt and efficient handling of commercial cases within the lower courts of Ouagadougou and Bobo-Dioulasso, together with a specially equipped registry, which will serve both as secretariat for the commercial law cases, and as the companies' registry, in each of the two jurisdictions.

6. The Borrower shall, with effect from January 1, 1993, (a) require all sitting magistrates (i) to submit through their supervisors monthly returns, pertaining to their output and performance, giving details, in particular, of those cases within their jurisdiction, which have either remained pending for more than a reasonable period of time or been postponed for more than a reasonable number of times, and (ii) to comply with specific deadlines both for delivery and for issue of judgments; and (b) revise the rules governing promotions and advancements, and disciplinary sanctions, within the Judiciary in order to take account of magistrates' compliance, or otherwise, with the requirements specified in sub-paragraph (a) of this paragraph.

7. The Borrower shall, not later than September 30, 1993, issue administrative instructions governing the preparation and proper processing of draft legislation, and for the distribution, sale and storage of copies of the Official Journal.

8. The Borrower shall have the study referred to under Part E.6 of the Project completed, not later than June 30, 1994, in order to have commercial arbitration facilities established, not later than December 31, 1994, in Ouagadougou.

9. The Borrower shall, not later than December 31, 1993, adopt legislation for the establishment of a legal aid mechanism in favor of the poorer sections of the population.

10. The Borrower shall establish a Project procurement committee, consisting of the DCF Director, who shall be the chairman thereof, and of representatives of MFP, MFPMA and, if need be, MJ, to be responsible for the award of all contracts under the Project, that are estimated to cost the equivalent of FCFA 50,000,000 or less.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to CFAF 300,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower

shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c)

of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

